

Senate File 544

SENATE FILE _____
BY COMMITTEE ON NATURAL
RESOURCES AND ENVIRONMENT

(SUCCESSOR TO SSB 1244)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the development, management, and efficient use
2 of energy resources in the state and including effective and
3 retroactive applicability date provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 1 Section 1. Section 12.28, subsection 6, Code 2007, is
1 2 amended to read as follows:
1 3 6. The maximum principal amount of financing agreements
1 4 which the treasurer of state can enter into shall be one
1 5 million dollars per state agency in a fiscal year, subject to
1 6 the requirements of section 8.46. For the fiscal year, the
1 7 treasurer of state shall not enter into more than one million
1 8 dollars of financing agreements per state agency, not
1 9 considering interest expense. However, the treasurer of state
1 10 may enter into financing agreements in excess of the one
1 11 million dollar per agency per fiscal year limit if a
1 12 constitutional majority of each house of the general assembly,
1 13 or the legislative council if the general assembly is not in
1 14 session, and the governor, authorize the treasurer of state to
1 15 enter into additional financing agreements above the one
1 16 million dollar authorization contained in this section. The
1 17 treasurer of state shall not enter into a financing agreement
1 18 for real or personal property which is to be constructed for
1 19 use as a prison or prison-related facility without prior
1 20 authorization by a constitutional majority of each house of
1 21 the general assembly and approval by the governor of the use,
1 22 location, and maximum cost, not including interest expense, of
1 23 the real or personal property to be financed. However,
1 24 financing agreements for an energy conservation measure, as
1 25 defined in section 7D.34, or for an energy management
1 26 improvement, as defined in section 473.19, are exempt from the
1 27 provisions of this subsection, but are subject to the
1 28 requirements of section 7D.34 or 473.20A. In addition,
1 29 financing agreements funded through the materials and
1 30 equipment revolving fund established in section 307.47 are
1 31 exempt from the provisions of this subsection.

1 32 Sec. 2. Section 455E.11, subsection 2, paragraph e, Code
1 33 2007, is amended to read as follows:

1 34 e. An oil overcharge account. The oil overcharge moneys
1 35 distributed by the United States department of energy, and
2 1 approved for the energy related components of the groundwater
2 2 protection strategy available through the energy conservation
2 3 ~~trust fund~~ created in section 473.11, shall be deposited in
2 4 the oil overcharge account as appropriated by the general
2 5 assembly.

2 6 Sec. 3. Section 473.1, Code 2007, is amended by adding the
2 7 following new subsections:

2 8 NEW SUBSECTION. 4A. "Renewable energy" means solar power,
2 9 photovoltaic power, wind power, geothermal power, hydropower,
2 10 landfill gas, biomass fuel, fuel cell powered by a renewable
2 11 energy resource, or conversion of municipal, industrial, or
2 12 agricultural organic wastes into methane or liquid fuel.

2 13 NEW SUBSECTION. 4B. "Renewable fuel" means an energy
2 14 source at least in part derived from a nonfossil-based organic
2 15 compound capable of powering machinery, including an engine or
2 16 power plant.

2 17 Sec. 4. Section 473.1, subsection 5, Code 2007, is amended
2 18 to read as follows:

2 19 5. "Supplier" means any person engaged in the business of
2 20 selling, importing, storing, or generating energy sources,
2 21 renewable energy, or renewable fuel in Iowa.

2 22 Sec. 5. Section 473.2, subsection 1, paragraph a, Code
2 23 2007, is amended to read as follows:

2 24 a. Physical, human, natural, and financial resources are
2 25 allocated efficiently.

2 26 Sec. 6. Section 473.3, Code 2007, is amended to read as
2 27 follows:

2 28 473.3 ENERGY ~~EFFICIENCY~~ RESOURCE MANAGEMENT GOAL.

2 29 1. The goal of this state is to ~~more~~ more efficiently utilize
2 30 energy resources, ~~especially those that are nonrenewable or~~
2 31 ~~that have negative environmental impacts, in order to enhance~~
2 32 the economy of the state ~~and to decrease by decreasing the~~
2 33 state's dependence on nonrenewable energy resources from
2 34 outside the state and by reducing the amount of energy used.

2 35 This goal is to be implemented through the execution of a
3 1 statewide energy plan that shall include the development of
3 2 policies and programs that promote energy efficiency and
3 3 energy conservation renewable energy use by all Iowans,
3 4 through the development and enhancement of an energy
3 5 efficiency and renewable energy industry, through the
3 6 development of indigenous commercialization of energy
3 7 resources and technologies that are economically and
3 8 environmentally viable, and through the development and
3 9 implementation of effective public information and education
3 10 programs.

3 11 2. State government shall be a model and testing ground
3 12 for the use of energy efficiency and renewable energy systems.

3 13 Sec. 7. Section 473.7, subsections 1, 4, 5, 11, 12, and
3 14 14, Code 2007, are amended to read as follows:

3 15 1. a. ~~Deliver to the general assembly by January 15, 1990~~

3 16 June 1, 2008, a plan for the development, management, and
3 17 efficient utilization of all energy resources in the state.

3 18 The plan shall evaluate existing energy utilization with
3 19 regard to energy efficiency and renewable energy and shall
3 20 evaluate energy efficiency, renewable energy, and other

3 21 options for meeting the future energy needs of the state. The

3 22 plan shall present options for meeting at least twenty-five

3 23 percent of the state's energy needs through the use of energy

3 24 efficient measures by the year 2025 and supplying twenty-five

3 25 percent of the state's energy needs from renewable energy by

3 26 the year 2025. The plan shall be made available through the

3 27 department's internet website. The plan shall include but is

3 28 not limited to the following elements:

3 29 a- (1) The historical use and distribution of energy in

3 30 Iowa.

3 31 b- (2) The growth rate of energy consumption in Iowa.

3 32 c- (3) A projection of Iowa's energy and energy

3 33 infrastructure needs at a minimum of ten, twenty, and fifty

3 34 years into the future.

3 35 d- (4) The impact of meeting Iowa's energy needs on the

4 1 economy of the state, including the impact of energy

4 2 efficiency and renewable energy on employment and economic

4 3 development.

4 4 e- (5) The impact of meeting Iowa's energy needs on the

4 5 environment of the state, including the impact of activities

4 6 related to energy production and use which contribute to

4 7 climate change.

4 8 f- (6) An evaluation of alternative sources and uses of

4 9 energy.

4 10 g. ~~Legislative recommendations that may be necessary as a~~

4 11 ~~basis for a state policy for the development and efficient~~

4 12 ~~utilization of energy resources.~~

4 13 h- (7) An evaluation of the ability of existing laws and

4 14 regulations surrounding the utilization of energy resources.

4 15 (8) Legislative recommendations and a strategy to manage

4 16 energy more efficiently and increase the use and generation of

4 17 renewable energy in such a way that enhances the economy of

4 18 the state while also reducing adverse impacts on the

4 19 environment.

4 20 b. The department shall develop the plan in cooperation

4 21 with the governor's energy coordinating council and with the

4 22 assistance of, and in consultation with, representatives of

4 23 the energy industry, economic interests, the public, and other

4 24 interested parties. The department shall submit a report to

4 25 the general assembly concerning the status and implementation

4 26 of the plan on a biennial basis. The biennial update shall

4 27 contain an evaluation of all state energy programs including

4 28 expected versus actual benefits of such programs,
4 29 recommendations for changes or improvements to the state
4 30 energy programs and policies, and forecasts of future energy
4 31 demand and supply in Iowa.
4 32 4. ~~a. Establish a central depository within the state for~~
4 33 ~~energy data. The central depository shall be located at or~~
4 34 ~~accessible through a library which is a member of an~~
4 35 ~~interlibrary loan program to facilitate access to the data and~~
5 1 ~~information contained in the central depository. The~~
5 2 ~~department shall collect and analyze data necessary to~~
5 3 ~~forecast to use in forecasting future energy demands in demand~~
5 4 ~~and supply for the state. The department may require a A~~
5 5 ~~supplier is required to provide information pertaining to the~~
5 6 ~~supply, storage, distribution, and sale of energy sources in~~
5 7 ~~this state when requested by the department. The information~~
5 8 ~~shall be furnished on a periodic basis, shall be of a nature~~
5 9 ~~which directly relates to the supply, storage, distribution,~~
5 10 ~~and sale of energy sources, and shall not include any records,~~
5 11 ~~documents, books, or other data which relate to the financial~~
5 12 ~~position of the supplier. Provided the The department, prior~~
5 13 ~~to requiring any supplier to furnish it with such information,~~
5 14 ~~shall make every reasonable effort to determine if the same~~
5 15 ~~such information is available from any other governmental~~
5 16 ~~source. If it finds such information is available, the~~
5 17 ~~department shall not require submission of the same~~
5 18 ~~information from a supplier. Notwithstanding the provisions~~
5 19 ~~of chapter 22, information and reports obtained under this~~
5 20 ~~section shall be confidential except when used for statistical~~
5 21 ~~purposes without identifying a specific supplier and when~~
5 22 ~~release of the information will not give an advantage to~~
5 23 ~~competitors and serves a public purpose. The department shall~~
5 24 ~~use this data to conduct energy forecasts which shall be~~
5 25 ~~included in the biennial update required by this section and~~
5 26 ~~which shall also be made available through the department's~~

5 27 ~~internet website.~~
5 28 ~~b. The department may subpoena witnesses, administer~~
5 29 ~~oaths, and require the production of records, books, and~~
5 30 ~~documents for examination in order to obtain information~~
5 31 ~~required to be submitted under this section. In case of~~
5 32 ~~failure or refusal on the part of any person to comply with a~~
5 33 ~~subpoena issued by the department, or in case of the refusal~~
5 34 ~~of any witness to testify as to any matter regarding which the~~
5 35 ~~witness may be interrogated under this chapter, the district~~
6 1 ~~court, upon the application of the department, may order the~~
6 2 ~~person to show cause why the person should not be held in~~
6 3 ~~contempt for failure to testify or comply with a subpoena, and~~
6 4 ~~may order the person to produce the records, books, and~~
6 5 ~~documents for examination, and to give testimony. The courts~~
6 6 ~~may punish for contempt as in the case of disobedience to a~~
6 7 ~~like subpoena issued by the court, or for refusal to testify.~~

6 8 5. Develop, recommend, and implement with appropriate
6 9 agencies public and professional education and communication
6 10 programs in energy efficiency, energy conservation, and
6 11 conversion to ~~alternative sources of energy~~ renewable energy.
6 12 11. Develop a program to annually give public recognition
6 13 to innovative methods of energy ~~conservation management and~~
6 14 renewable energy production.

6 15 12. Administer and coordinate federal funds for energy
6 16 ~~conservation management and renewable energy programs~~
6 17 ~~including, but not limited to, the institutional conservation~~
6 18 ~~program, state energy conservation program, and energy~~
6 19 ~~extension service program, and related programs which provide~~
6 20 ~~energy management and conservation assistance to schools,~~
6 21 ~~hospitals, health care facilities, communities, and the~~
6 22 ~~general public.~~

6 23 14. ~~Perform~~ Provide information from monthly fuel surveys
6 24 which establish a statistical average of motor fuel prices for
6 25 various motor fuels provided throughout the state.
6 26 Additionally, the department shall ~~perform~~ provide monthly
6 27 ~~fuel surveys~~ survey information in cities with populations of
6 28 over fifty thousand which establish a statistical average of
6 29 motor fuel prices for various motor fuels provided in those
6 30 individual cities. The survey results shall be publicized in
6 31 a monthly press release issued by the department.

6 32 Sec. 8. Section 473.7, subsections 2, 3, and 15, Code
6 33 2007, are amended by striking the subsections.

6 34 Sec. 9. Section 473.11, Code 2007, is amended to read as
6 35 follows:

7 1 473.11 ENERGY CONSERVATION ~~TRUST FUND~~ ESTABLISHED ==
7 2 RECEIPTS AND DISBURSEMENTS.

7 3 1. ~~a.~~ a. The energy conservation ~~trust fund~~ is created

7 4 within the state treasury. This state, on behalf of itself,
7 5 its citizens, and its political subdivisions, accepts any
7 6 moneys awarded or allocated to the state, its citizens, and
7 7 its political subdivisions as a result of the federal court
7 8 decisions and United States department of energy settlements
7 9 resulting from alleged violations of federal petroleum pricing
7 10 regulations and deposits the moneys in the energy conservation
7 11 trust fund. The fund shall also consist of any moneys
7 12 appropriated by the general assembly and any other moneys
7 13 available to and obtained or accepted by the department for
7 14 placement in the fund. Moneys in the fund are not subject to
7 15 section 8.33. Notwithstanding section 12C.7, interest or
7 16 earnings on moneys in the fund shall be credited to the energy
7 17 conservation fund.

~~7 18 b. The energy conservation trust is established to provide
7 19 for an orderly, efficient, and effective mechanism to make
7 20 maximum use of moneys available to the state, in order to
7 21 increase energy conservation efforts and thereby to save the
7 22 citizens of this state energy expenditures. The moneys in the
7 23 funds in the trust shall be expended only upon appropriation
7 24 by the general assembly and only for programs which will
7 25 benefit citizens who may have suffered economic penalties
7 26 resulting from the alleged petroleum overcharges.~~

~~7 27 c. The moneys awarded or allocated from each court
7 28 decision or settlement shall be placed in a separate fund in
7 29 the energy conservation trust. Notwithstanding section 12C.7,
7 30 interest and earnings on investments from moneys in the trust
7 31 shall be credited proportionately to the funds in the trust.~~

~~7 32 d. Unless prohibited by the conditions applying to a
7 33 settlement, the petroleum overcharge moneys in the energy
7 34 conservation trust may be used for the payment of attorney
7 35 fees and expenses incurred by the state to obtain the moneys
8 1 and shall be paid by the director of the department of
8 2 administrative services from the available moneys in the trust
8 3 subject to the approval of the attorney general.~~

~~8 4 e. However, petroleum overcharge moneys received pursuant
8 5 to claims filed on behalf of the state, its institutions,
8 6 departments, agencies, or political subdivisions shall be
8 7 deposited in the general fund of the state to be disbursed
8 8 directly to the appropriate claimants in accordance with
8 9 federal guidelines and subject to the approval of the attorney
8 10 general.~~

~~8 11 f. The moneys deposited under section 473.16 in the
8 12 general fund of the state shall be used for research and
8 13 development of selected projects to improve Iowa's energy
8 14 independence by developing improved methods of energy
8 15 efficiency, or by increased development and use of Iowa's
8 16 renewable nonresource-depleting energy resources. The moneys
8 17 credited to the general fund of the state under section
8 18 556.18, subsection 3, shall be used for energy conservation
8 19 and alternative energy resource projects. The projects shall
8 20 be selected by the director and administered by the
8 21 department. Selection criteria for funded projects shall
8 22 include consideration of indirect restitution to those persons
8 23 in the state in the utility customer classes and the utility
8 24 service territories affected by unclaimed utility refunds or
8 25 deposits.~~

~~8 26 Moneys deposited into the general fund of the state under
8 27 sections 473.16, 476.51, and 556.18, subsection 3, are subject
8 28 to the requirements of section 8.60.~~

~~8 29 2. The treasurer of state shall be the custodian of the
8 30 energy conservation trust and shall invest the moneys in the
8 31 trust, in consultation with the energy fund disbursement
8 32 council established in subsection 3 and the investment board
8 33 of the Iowa public employees' retirement system, in accordance
8 34 with the following guidelines:~~

~~8 35 a. To maximize the rate of return on moneys in the trust
9 1 while providing sufficient liquidity to make fund
9 2 disbursements, including contingency disbursements.~~

~~9 3 b. To absolutely insure the trust against loss.~~

~~9 4 c. To use such investment tools as are necessary to
9 5 achieve these purposes.~~

~~9 6 3. An energy fund disbursement council is established.~~

~~9 7 The council shall be composed of the governor or the
9 8 governor's designee, the director of the department of
9 9 management, who shall serve as the council's chairperson, the
9 10 administrator of the division of community action agencies of
9 11 the department of human rights, a designee of the director of
9 12 the department of natural resources who is knowledgeable in
9 13 the field of energy conservation, and a designee of the
9 14 director of transportation who is knowledgeable in the field~~

~~9 15 of energy conservation. The council shall include as
9 16 nonvoting members two members of the senate appointed by the
9 17 president of the senate, after consultation with the majority
9 18 leader and the minority leader of the senate, and two members
9 19 of the house of representatives appointed by the speaker of
9 20 the house, after consultation with the majority leader and the
9 21 minority leader of the house. The legislative members shall
9 22 be appointed upon the convening and for the period of each
9 23 general assembly. Not more than one member from each house
9 24 shall be of the same political party. The council shall be
9 25 staffed by the department of natural resources. The attorney
9 26 general shall provide legal assistance to the council.~~

9 27 The council shall do all of the following:

- ~~9 28 a. Oversee the investment of moneys deposited in the
9 29 energy conservation trust.~~
- ~~9 30 b. Make recommendations to the governor and the general
9 31 assembly regarding annual appropriations from the energy
9 32 conservation trust.~~
- ~~9 33 c. Work with the department of natural resources in
9 34 adopting administrative rules necessary to administer
9 35 expenditures from the trust, encourage applications for grants
10 1 and loans, review and select proposals for the funding of
10 2 competitive grants and loans from the energy conservation
10 3 trust, and evaluate their comparative effectiveness.~~
- ~~10 4 d. Monitor expenditures from the trust.~~
- ~~10 5 e. Approve any grants or contracts awarded from the energy
10 6 conservation trust in excess of five thousand dollars.~~
- ~~10 7 f. Prepare, in conjunction with the department of natural
10 8 resources, an annual report to the governor and the general
10 9 assembly regarding earnings of and expenditures from the
10 10 energy conservation trust.~~

~~10 11 4. The director of the department of natural resources or
10 12 the director's designee shall be the administrator of the
10 13 energy conservation trust. The administrator shall disburse
10 14 moneys appropriated by the general assembly from the funds in
10 15 the trust in accordance with the federal court orders, law and
10 16 regulation, or settlement conditions applying to the moneys in
10 17 that fund, and subject to the approval of the energy fund
10 18 disbursement council if such approval is required. The
10 19 council, after consultation with the attorney general, shall
10 20 immediately approve the disbursement of moneys from the funds
10 21 in the trust for projects which meet the federal court orders,
10 22 law and regulations, or settlement conditions which apply to
10 23 that fund.~~

~~10 24 5. The following funds are established in the energy
10 25 conservation trust:~~

- ~~10 26 a. The Warner/Imperial fund.~~
- ~~10 27 b. The Exxon fund.~~
- ~~10 28 c. The Stripper Well fund.~~
- ~~10 29 d. The Diamond Shamrock fund.~~
- ~~10 30 e. The office of hearings and appeals second-stage
10 31 settlement fund.~~

~~10 32 6. The moneys in the fund in the energy conservation trust
10 33 distributed to the state as a result of the federal court
10 34 decisions finding oil companies in violation of federal
10 35 petroleum pricing regulations shall be expended expeditiously,
11 1 until all the receipts are depleted and shall be disbursed for
11 2 projects which meet the strict guidelines of the five existing
11 3 federal energy conservation programs specified in Pub. L. No.
11 4 97-377, § 155, 96 Stat. 1830, 1919 (1982). The council shall
11 5 approve the disbursement of moneys from the fund in the trust
11 6 for other projects only if the projects meet one or more of
11 7 the following conditions:~~

- ~~11 8 a. The projects meet the guidelines for allowable projects
11 9 under a modification order entered by the federal court in the
11 10 case involving Exxon corporation.~~
- ~~11 11 b. The projects meet the guidelines for allowable projects
11 12 under a directive order entered by the federal court in the
11 13 case involving Exxon corporation.~~
- ~~11 14 c. The projects meet the guidelines for allowable projects
11 15 under the regulations adopted or written clarifications issued
11 16 by the United States department of energy.~~
- ~~11 17 d. The projects meet the guidelines for allowable projects
11 18 under the petroleum violation settlement agreement expenditure
11 19 plan approved by the United States department of energy.~~

~~11 20 7. On June 30, 2003, the energy fund disbursement council
11 21 established in subsection 3 shall be dissolved. At that time,
11 22 the The department of natural resources shall be responsible
11 23 for the disbursement of any funds either received or remaining
11 24 in the energy conservation trust fund. These disbursements
11 25 shall be for projects and programs consistent with the legally~~

11 26 ~~determined~~ allowable uses for the ~~former~~ energy conservation
11 27 trust, ~~section 473.11, Code 2005. Also, at that time, and~~
11 28 ~~annually thereafter, the~~ The state department of
11 29 transportation shall report to the department of natural
11 30 resources on the status of the intermodal revolving loan fund
11 31 established in the department on an annual basis. In the
11 32 fiscal year beginning July 1, 2019, the department of natural
11 33 resources shall assume responsibility for funds remaining in
11 34 the intermodal revolving loan fund and disburse them for
11 35 energy ~~conservation projects and~~ programs consistent with the
12 1 legally determined allowable uses for the ~~former~~ energy
12 2 conservation trust.

12 3 Sec. 10. Section 473.13A, Code 2007, is amended to read as
12 4 follows:

12 5 473.13A ENERGY ~~CONSERVATION MEASURES MANAGEMENT AND~~
12 6 ~~RENEWABLE ENERGY OPPORTUNITIES IDENTIFIED AND IMPLEMENTED.~~

12 7 1. The state, All state agencies, political subdivisions
12 8 of the state, school districts, area education agencies, and
12 9 community colleges shall identify and implement, through
12 10 energy audits and engineering analyses, all energy
12 11 conservation measures management improvements identified for
12 12 which financing is made available by through the department to
12 13 the entity. Identification of energy management improvements
12 14 shall be made through energy analyses as approved by the
12 15 department. The energy conservation measure financings
12 16 management improvement financing shall be supported through
12 17 payments from energy savings and shall be for a term defined
12 18 by the department in rule.

12 19 2. Except for a garage, storage facility, or brine
12 20 production facility, a building owned or occupied by a state
12 21 agency shall be analyzed by the state agency for energy
12 22 management improvement opportunities based on the guidelines
12 23 established pursuant to section 473.19. The results of the
12 24 analysis shall be submitted to the department by August 1,
12 25 2009. An updated analysis shall be submitted to the
12 26 department every five years thereafter if appropriations,
12 27 allocations, or grants are provided for the cost of the
12 28 analysis. Based on the findings of the energy analysis and
12 29 the updates, the state agency shall, with assistance from the
12 30 department, develop an energy management plan. The energy
12 31 management plan shall identify the energy management
12 32 improvements to be implemented by the state agency, establish
12 33 a timeline for their implementation, and identify a funding
12 34 source. The department shall submit a report to the governor
12 35 and the general assembly by January 1, 2009, and every three
13 1 years thereafter, that analyzes all information collected
13 2 pursuant to this subsection and includes recommendations for
13 3 future programs.

13 4 3. All new construction or renovation of existing
13 5 facilities for state agency use shall meet or exceed the
13 6 requirements for the United States green building council
13 7 leadership in energy and environmental design silver
13 8 certification or other comparable design as approved by the
13 9 department. Facilities under construction or renovation, or
13 10 facility projects for which funding has been requested, prior
13 11 to January 1, 2007, shall not be required to seek the United
13 12 States green building council leadership in energy and
13 13 environmental design silver certification requirements. For
13 14 purposes of this subsection, "renovation" means any change to
13 15 a facility with costs equal to more than fifty percent of the
13 16 value of the facility or an addition to the facility in excess
13 17 of twenty thousand square feet.

13 18 4. The department shall not require a state agency,
13 19 political subdivision of the state, school district, community
13 20 college, area education agency, city, or county to perform an
13 21 engineering energy analysis if the state agency, political
13 22 subdivision of the state, school district, community college,
13 23 or area education agency, city, or county demonstrates to the
13 24 department that the facility which is the subject of the
13 25 proposed engineering energy analysis at issue is not currently
13 26 in use or is unlikely to be in use or operation in six four
13 27 years by the governmental entity currently using or occupying
13 28 the facility.

13 29 Sec. 11. Section 473.15, Code 2007, is amended to read as
13 30 follows:

13 31 473.15 ANNUAL REPORT.

13 32 The department shall ~~include in the complete an~~ annual
13 33 report ~~required under section 455A.4 an assessment of to~~
13 34 assess the progress achieved by public agencies of state
13 35 agencies, political subdivisions of the state, school
14 1 districts, area education agencies, and community colleges in

14 2 implementing energy management improvements, renewable energy
14 3 systems, and life cycle cost analyses under chapter 470, and
14 4 on the use of renewable fuels. The department shall work with
14 5 stakeholders to use available information to minimize the cost
14 6 of preparing the report for the department and stakeholders.
14 7 The department shall also provide an assessment of the
14 8 economic and environmental impact of the progress made by
14 9 state agencies, political subdivisions of the state, school
14 10 districts, area education agencies, and community colleges
14 11 related to energy management and renewable energy, along with
14 12 recommendations on technological opportunities and policies
14 13 necessary for continued improvement in these areas.

14 14 Sec. 12. Section 473.19, Code 2007, is amended to read as
14 15 follows:

14 16 473.19 ENERGY BANK PROGRAM.

14 17 1. The energy bank program is established by the
14 18 department. The energy bank program consists of the following
14 19 forms of assistance for the state, state agencies, political
14 20 subdivisions of the state, school districts, area education
14 21 agencies, community colleges, and nonprofit organizations:

14 22 1- a. Promoting program availability.

14 23 b. Developing or identifying guidelines and model energy
14 24 techniques for the completion of energy analyses for state
14 25 agencies, political subdivisions of the state, school
14 26 districts, area education agencies, community colleges, and
14 27 nonprofit organizations.

14 28 c. Providing moneys from the petroleum overcharge fund
14 29 technical assistance for conducting energy audits analyses for
14 30 school districts under section 279.44, for conducting
14 31 comprehensive engineering analyses for school districts and
14 32 for conducting energy audits and comprehensive engineering
14 33 analyses for state agencies, and political subdivisions of the
14 34 state agencies, political subdivisions of the state, school
14 35 districts, area education agencies, community colleges, and
15 1 nonprofit organizations.

15 2 2- d. Providing Facilitating loans, leases, and other
15 3 methods of alternative financing from under the energy loan
15 4 fund established in section 473.20 and section 473.20A program
15 5 for the state, state agencies, political subdivisions of the
15 6 state, school districts, area education agencies, community
15 7 colleges, and nonprofit organizations to implement energy
15 8 conservation measures management improvements.

15 9 3- Serving as a source of technical support for energy
15 10 conservation management.

15 11 4- e. Providing assistance for obtaining insurance on the
15 12 energy savings expected to be realized from the implementation
15 13 of energy conservation measures management improvements.

15 14 5- f. Providing Facilitating self-liquidating financing
15 15 for the state, state agencies, political subdivisions of the
15 16 state, school districts, area education agencies, community
15 17 colleges, and nonprofit organizations pursuant to section
15 18 473.20A.

15 19 2. For the purpose of this section, section 473.20, and
15 20 section 473.20A, "energy conservation measure" management
15 21 improvement" means construction, rehabilitation, acquisition,
15 22 or modification of an installation in a facility or vehicle
15 23 which is intended to reduce energy consumption, or energy
15 24 costs, or both, or allow the use of an alternative energy
15 25 source, which may contain integral renewable energy. "Energy
15 26 management improvement" may include control and measurement
15 27 devices. "Nonprofit organization" means an organization
15 28 exempt from federal income taxation under section 501(c)(3) of
15 29 the Internal Revenue Code.

15 30 Sec. 13. Section 473.20, unnumbered paragraph 1, Code
15 31 2007, is amended to read as follows:

15 32 An energy loan fund program is established in the office of
15 33 the treasurer of state to and shall be administered by the
15 34 department.

15 35 Sec. 14. Section 473.20, subsections 1, 5, and 6, Code
16 1 2007, are amended to read as follows:

16 2 1. The department may make loans to facilitate the loan
16 3 process for the state, state agencies, political subdivisions
16 4 of the state, school districts, area education agencies,
16 5 community colleges, and nonprofit organizations for
16 6 implementation of energy conservation measures management
16 7 improvements identified in a comprehensive engineering an
16 8 energy analysis. Loans shall be made facilitated for all
16 9 cost-effective energy management improvements. For the state,
16 10 state agencies, political subdivisions of the state, school
16 11 districts, area education agencies, community colleges, and
16 12 nonprofit organizations to receive a loan from the fund

16 13 assistance under the program, the department shall require
16 14 completion of an energy management plan including an energy
16 15 ~~audit and a comprehensive engineering analysis.~~ The
16 16 department shall approve loans made under this section.
16 17 5. The state, state agencies, political subdivisions of
16 18 the state, school districts, area education agencies, and
16 19 community colleges shall design and construct the most energy
16 20 cost-effective facilities feasible and ~~shall use the financing~~
16 21 ~~made available~~ may use loans facilitated by the department to
16 22 cover the incremental costs above minimum building code energy
16 23 efficiency standards of purchasing energy efficient devices
16 24 and materials unless other lower cost financing is available.
16 25 As used in this section, "facility" means a structure that is
16 26 heated or cooled by a mechanical or electrical system, or any
16 27 system of physical operation that consumes energy to carry out
16 28 a process.

16 29 6. The department shall not require the state, state
16 30 agencies, political subdivisions of the state, school
16 31 districts, area education agencies, and community colleges to
16 32 implement a specific energy ~~conservation measure management~~
16 33 ~~improvement identified in a comprehensive engineering an~~
16 34 ~~energy analysis if the entity which prepared the analysis~~
16 35 ~~demonstrates to the department that the facility which is the~~
17 1 ~~subject of the energy conservation measure management~~
17 2 ~~improvement is unlikely to be used or operated for the full~~
17 3 ~~period of the expected payback of the energy conservation~~
17 4 ~~measure management improvement.~~

17 5 Sec. 15. Section 473.20, subsection 3, Code 2007, is
17 6 amended by striking the subsection.

17 7 Sec. 16. Section 473.20A, Code 2007, is amended to read as
17 8 follows:

17 9 473.20A SELF=LIQUIDATING FINANCING.

17 10 1. The department of natural resources may ~~enter into~~
17 11 facilitate financing agreements with the state, state
17 12 agencies, political subdivisions of the state, school
17 13 districts, area education agencies, community colleges, or
17 14 nonprofit organizations in order to provide the financing to
17 15 pay the costs of furnishing energy ~~conservation measures~~
17 16 ~~management improvements.~~ The provisions of section 473.20
17 17 defining eligible energy ~~conservation measures and the method~~
17 18 ~~of repayment of the loans management improvements~~ apply to
17 19 financings under this section.

17 20 The financing agreement may contain provisions, including
17 21 interest, term, and obligations to make payments on the
17 22 financing agreement beyond the current budget year, as may be
17 23 agreed upon between the department of natural resources and
17 24 the state, state agencies, political subdivisions of the
17 25 state, school districts, area education agencies, community
17 26 colleges, or nonprofit organizations.

17 27 2. For the purpose of funding its obligation to furnish
17 28 moneys under the financing agreements, or to fund the energy
17 29 loan ~~fund program~~ created in section 473.20, the treasurer of
17 30 state, with the assistance of the department of natural
17 31 resources, or the treasurer of state's duly authorized agents
17 32 or representatives, may incur indebtedness or enter into
17 33 master lease agreements or other financing arrangements to
17 34 borrow to accomplish energy ~~conservation measures management~~
17 35 ~~improvements~~, or the department of natural resources may enter

18 1 into master lease agreements or other financing arrangements
18 2 to permit the state, state agencies, political subdivisions of
18 3 the state, school districts, area education agencies,
18 4 community colleges, or nonprofit organizations to borrow
18 5 sufficient funds to accomplish the energy ~~conservation measure~~
18 6 ~~management improvement.~~ The obligations may be in such form,
18 7 for such term, bearing such interest, and containing such
18 8 provisions as the department of natural resources, with the
18 9 assistance of the treasurer of state, deems necessary or
18 10 appropriate. ~~Funds remaining after the payment of all~~
18 11 ~~obligations have been redeemed shall be paid into the energy~~
18 12 ~~loan fund.~~

18 13 3. The state, state agencies, political subdivisions of
18 14 the state, school districts, area education agencies,
18 15 community colleges, and nonprofit organizations may enter into
18 16 financing agreements and issue obligations necessary to carry
18 17 out the provisions of the chapter. Chapter 75 shall not be
18 18 applicable.

18 19 Sec. 17. NEW SECTION. 473.45 COAL=FIRED MERCHANT POWER
18 20 PLANTS.

18 21 1. For purposes of this section, "coal-fired merchant
18 22 power plant" means a power plant that burns coal to generate
18 23 electricity for sale in the open wholesale power market which

18 24 is not subject to rate regulation pursuant to chapter 476.

18 25 2. As a condition of a permit issued by the department
18 26 pursuant to chapter 455B, the department shall order an owner
18 27 or operator of a coal-fired merchant power plant to provide
18 28 all of the following:

18 29 a. A plan and evidence of financing for the encouragement
18 30 of alternate energy production facilities comparable to the
18 31 requirements of sections 476.41 through 476.45.

18 32 b. Fees for the support of the Iowa energy center created
18 33 in section 266.39C and the center for global and regional
18 34 environmental research created by the state board of regents.

18 35 c. A plan and evidence of financing for energy management
19 1 improvements comparable to the requirements of section 476.6,
19 2 subsection 16.

19 3 3. The department may waive all or part of the
19 4 requirements of subsection 2 upon finding that the coal-fired
19 5 merchant power plant has achieved other methods to offset its
19 6 production of greenhouse gases and other pollutants.

19 7 4. The department shall adopt rules pursuant to chapter
19 8 17A prescribing regulatory standards and implementation
19 9 procedures relating to the application of the requirements in
19 10 subsection 2.

19 11 Sec. 18. Section 476.6, subsection 16, paragraph a, Code
19 12 2007, is amended to read as follows:

19 13 a. Gas and electric utilities required to be
19 14 rate-regulated under this chapter shall file energy efficiency
19 15 plans with the board. An energy efficiency plan and budget
19 16 shall include a range of programs, tailored to the needs of
19 17 all customer classes, including residential, commercial, and
19 18 industrial customers, for energy efficiency opportunities.

19 19 The plans shall include programs for qualified low-income
19 20 persons including a cooperative program with any community
19 21 action agency within the utility's service area to implement
19 22 countywide or communitywide energy efficiency programs for
19 23 qualified low-income persons and cooperative programs with any
19 24 community action agency within the utility's service area to
19 25 implement programs to provide assessment, resolution, and
19 26 energy efficiency training for managing home energy utility

19 27 costs. Rate-regulated gas and electric utilities shall
19 28 utilize Iowa agencies and Iowa contractors to the maximum
19 29 extent cost-effective in their energy efficiency plans filed
19 30 with the board.

19 31 Sec. 19. Section 476.6, Code 2007, is amended by adding
19 32 the following new subsection:

19 33 NEW SUBSECTION. 16A. COMMON ENERGY EFFICIENCY PUBLIC
19 34 EDUCATION AND PROMOTION PLAN.

19 35 a. All gas and electric utilities shall participate in a
20 1 common public education and promotion plan for increasing
20 2 public awareness of the existence of energy efficiency
20 3 programs. A contractor may be selected by the board, with the
20 4 assistance of the advisory council established in paragraph
20 5 "d", to develop and implement the common plan pursuant to a
20 6 competitive bidding procedure as established by the board by
20 7 rule. A showing of cost-effectiveness of the plan shall not
20 8 be required.

20 9 b. The board may assess each utility based on annual gross
20 10 revenues for their pro-rata share of the cost of contracting
20 11 for the development and implementation of the common plan, in
20 12 an amount determined by the board not to exceed one-tenth of
20 13 one percent of a utility's gross revenue.

20 14 c. An energy efficiency public education and promotion
20 15 plan assessment fund is created in the office of the treasurer
20 16 of state to be administered by the board. The fund shall
20 17 contain the amounts assessed pursuant to paragraph "b".
20 18 Section 8.33 shall not apply to the moneys in the fund.

20 19 d. The board shall establish an advisory council to assist
20 20 the board and the utilities in the evaluation of bids for
20 21 developing and implementing the common plan. Advisory council
20 22 members shall be selected by the board, and may include but
20 23 are not limited to representatives from the following entities
20 24 and agencies:

20 25 (1) Two members representing gas and electric utilities
20 26 subject to rate regulation.

20 27 (2) One member representing electric public utilities
20 28 having fewer than ten thousand customers or electric
20 29 cooperative corporations and associations subject to
20 30 regulatory action by the board pursuant to section 476.1A.

20 31 (3) One member representing municipally owned utilities
20 32 furnishing electricity subject to regulatory action by the
20 33 board pursuant to section 476.1B.

20 34 (4) One member representing the office of consumer

20 35 advocate.

21 1 The board shall be authorized to retain an amount not to
21 2 exceed two percent of the assessments received for the
21 3 expenses of the advisory council and the board in overseeing
21 4 the contractor selection and common plan approval process.

21 5 Sec. 20. Sections 473.13, 473.16, 473.17, 473.42, and
21 6 473.44, Code 2007, are repealed.

21 7 Sec. 21. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY.

21 8 The section of this Act creating section 473.45, being deemed
21 9 of immediate importance, takes effect upon enactment and is
21 10 retroactively applicable to coal-fired merchant power plants
21 11 constructed in this state on or after January 1, 2007.

21 12 EXPLANATION

21 13 This bill relates to the development, management, and
21 14 efficient use of all energy resources in the state.

21 15 The bill defines the terms "renewable energy" and
21 16 "renewable fuel" for purposes of the Code chapter relating to
21 17 energy development and conservation.

21 18 The bill changes the energy efficiency goals for the state
21 19 to the energy resource management goals. The bill changes the
21 20 focus of the goals from the efficient use of nonrenewable
21 21 resources and resources that negatively impact the environment
21 22 to goals of decreasing dependence on nonrenewable resources,
21 23 to be implemented through programs promoting energy efficiency
21 24 and the use of renewable energy.

21 25 The bill provides that, by June 1, 2008, the department of
21 26 natural resources shall deliver to the general assembly a plan
21 27 for the development, management, and efficient use of all
21 28 energy resources in the state.

21 29 The bill requires the plan to present options for meeting
21 30 at least 25 percent of the state's energy needs through the
21 31 use of energy efficient measures by the year 2025 and
21 32 supplying 25 percent of the state's energy needs from
21 33 renewable energy by the year 2025.

21 34 The bill eliminates a requirement that the department
21 35 establish a central depository within the state for energy
22 1 data. The bill requires the department to collect and analyze
22 2 data to use in forecasting future energy demand and supply for
22 3 the state. The bill requires such information to be made
22 4 available through the department's internet website.

22 5 The bill requires the department to provide information
22 6 from monthly fuel surveys. Currently, the department is
22 7 required to perform such surveys.

22 8 The bill eliminates departmental duties relating to
22 9 identifying a state facility to be used as a marketing tool to
22 10 promote energy conservation, exchanging information with other
22 11 states on energy, and conducting a study on activities related
22 12 to energy production and use which contribute to global
22 13 climate change and the depletion of the stratospheric ozone
22 14 layer.

22 15 The bill changes the name of the energy conservation trust
22 16 to the energy conservation fund and eliminates most of the
22 17 provisions relating to the trust. The bill provides that the
22 18 department shall be responsible for the disbursement of any
22 19 funds either received or remaining in the energy conservation
22 20 fund and that the disbursements shall be for projects and
22 21 programs consistent with the legally determined allowable uses
22 22 for the energy conservation trust. The bill requires the
22 23 state department of transportation to report to the department
22 24 of natural resources on the status of the intermodal revolving
22 25 loan fund established in the department on an annual basis.
22 26 The bill requires that, in the fiscal year beginning July 1,
22 27 2019, the department of natural resources shall assume
22 28 responsibility for funds remaining in the intermodal revolving
22 29 loan fund and disburse them for energy programs consistent
22 30 with the legally determined allowable uses for the energy
22 31 conservation trust.

22 32 The bill requires all state agencies, political
22 33 subdivisions of the state, school districts, area education
22 34 agencies, and community colleges to identify and implement all
22 35 energy management improvements identified by the department
23 1 for which financing is made available through the department
23 2 of natural resources. The bill provides that, except for
23 3 garages, storage facilities, and brine production facilities,
23 4 any building owned or occupied by a state agency shall be
23 5 analyzed for energy management improvement opportunities and
23 6 the results of the analysis shall be submitted to the
23 7 department by August 1, 2009. The bill requires an updated
23 8 analysis to be submitted to the department every five years
23 9 thereafter.

23 10 The bill requires that all new construction or renovation

23 11 of existing facilities for state agency use shall meet or
23 12 exceed the requirements for the United States green building
23 13 council leadership in energy and environmental design silver
23 14 certification or other comparable design as approved by the
23 15 department.

23 16 The bill requires the department to complete an annual
23 17 report to assess the progress of state agencies, political
23 18 subdivisions of the state, school districts, area education
23 19 agencies, and community colleges in implementing energy
23 20 management improvements, renewable energy systems, life cycle
23 21 cost analyses, and on the use of renewable fuels.

23 22 The bill provides that assistance under the energy bank
23 23 program includes promoting the program availability;
23 24 developing or identifying guidelines and model energy
23 25 techniques for the completion of energy analyses; providing
23 26 technical assistance for conducting energy analyses;
23 27 facilitating loans, leases, and other methods of alternative
23 28 financing under the energy loan program; providing assistance
23 29 for obtaining insurance on the energy savings expected to be
23 30 realized from the implementation of energy management
23 31 improvements; and facilitating self-liquidating financing.
23 32 The bill changes the term "energy conservation measure" to
23 33 "energy management improvement" under the energy bank program
23 34 and the energy loan program.

23 35 The bill eliminates the energy loan fund in the office of
24 1 the treasurer of state and makes associated changes. The bill
24 2 changes the energy loan fund to the energy loan program. The
24 3 bill changes a power of the department to make loans under the
24 4 program to the ability to facilitate the loan process under
24 5 the program.

24 6 The bill provides that as a condition of a permit issued by
24 7 the department, the department shall order an owner or
24 8 operator of a coal-fired merchant power plant to provide a
24 9 plan and evidence of financing for the encouragement of
24 10 alternate energy production facilities, fees to support the
24 11 Iowa energy center and regents' environmental research, and a
24 12 plan and evidence of financing for energy management
24 13 improvements. These provisions take effect upon enactment and
24 14 are retroactively applicable to coal-fired merchant power
24 15 plants constructed in this state on or after January 1, 2007.

24 16 The bill provides that gas and electric utilities filing
24 17 energy plans with the utilities board must include cooperative
24 18 programs with any community action agency within the utility's
24 19 service area to implement programs to provide assessment,
24 20 resolution, and energy efficiency training for managing home
24 21 energy utility costs.

24 22 The bill provides that all gas and electric utilities shall
24 23 participate in a common public education and promotion plan
24 24 for increasing public awareness of the existence of energy
24 25 efficiency programs. The bill allows the board to assess each
24 26 utility based on annual gross revenues for their pro-rata
24 27 share of the cost of contracting for the development and
24 28 implementation of the common plan, in an amount determined by
24 29 the board not to exceed one-tenth of 1 percent of a utility's
24 30 gross revenue. The bill creates an energy efficiency public
24 31 education and promotion plan assessment fund in the state
24 32 treasury under the control of the board. The bill establishes
24 33 an advisory council to assist the board and the utilities in
24 34 the evaluation of bids for developing and implementing the
24 35 common plan.

25 1 The bill repeals provisions relating to an engineering
25 2 analysis by the state department of transportation, rules for
25 3 the use of compact fluorescent bulbs in exit signs, plumbing
25 4 products efficiency standards, and receiving additional
25 5 funding for energy-related programs.

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